

**Statement by John P. Walters
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**Before the House Committee on Government Reform
Subcommittee on Criminal Justice, Drug Policy and Human Resources
Chairman Mark E. Souder, 109th Congress**

**“Fiscal Year 2006 Drug Budget”
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Chairman Souder, Ranking Member Cummings, and distinguished Members of the Committee: I am honored to appear before you today in support of the President’s Fiscal Year 2006 National Drug Control Budget. Before I proceed, I want to thank the Committee for its strong bipartisan commitment to our shared national goal of reducing drug use in America, especially among our youth.

Later this month, we will release an update to the President’s National Drug Control Strategy, detailing the policies and programs that are part of the fiscal year 2006 budget, transmitted to Congress just a few days ago. As part of the Committee’s oversight responsibilities, you have invited me to discuss the drug budget, review policies and programs for the coming fiscal year, and discuss my office’s role in the development of these proposals. My remarks today will focus on these key points.

I. National Drug Control Strategy

In 2002, President Bush set ambitious goals to reduce teen drug use by 10 percent in two years, and by 25 percent in five years. The Administration has exceeded the two-year goal, with an 11 percent reduction, and over the past three years there has been an historic 17 percent decrease in teenage drug use. Pursuing a strategy focusing on prevention and treatment, as well as law enforcement and international programs, there are now 600,000 fewer teens using drugs than there were in 2001. This is real progress, and the Strategy that will be released later this month will build on this dramatic success. As a preview, I want to take this opportunity to highlight the key themes and programs that are part of the President’s 2005 National Drug Control Strategy.

A. Stopping Use Before It Starts: Education and Community Action

Progress in the fight against drugs is to be found in our schools, our neighborhoods, and our workplaces. Attitudes against drug use continue to harden. The number of children using drugs continues to fall. Citizens all across the country are uniting in community coalitions to battle vigorously against drug use and drug dealing in their neighborhoods. Though continuing to decline, the number of drug users is still far too high, and young people remain susceptible to the lure of drugs. This is our continuing challenge that the Drug Strategy addresses through a combination of innovative programs aimed at our youth.

Media Campaign

Prevention programs come in all kinds, and The Strategy discusses an array of prevention programs—including school and community-based programs, student drug testing programs, and public service advertisements. Among these critical programs, ONDCP's own National Youth Anti-Drug Media Campaign leads our efforts to reduce youth drug use. The Youth Campaign is an integrated effort that combines advertising with public communications outreach. It has developed a series of advertisements that change youth attitudes of drug use and coach parents in monitoring teen behavior and promoting early intervention against signs of early drug use. The President's fiscal year 2006 budget proposes \$120 million for the Youth Campaign.

We are convinced that the Youth Campaign has been a major contributor to our success. This year's results from the Monitoring the Future (MTF) study conducted by the National Institute on Drug Abuse in the Department of Health and Human Services (DHHS), further consolidate the historic reductions observed in last year's results. In 2003, current use of any illicit drug and current use of marijuana each declined 11 percent—exceeding the President's strategic goal of a 10 percent reduction in 2 years from the 2001 baseline. This year's MTF results indicate that current use of any illicit drug has declined 17 percent since 2001, while current marijuana use has dropped 18 percent.

Exposure to anti-drug advertising has had an impact on improving youth anti-drug attitudes and intentions. Among all three grades surveyed by the MTF over the course of the Youth Campaign, such ads have made youth to a "great extent" or "very great extent" less favorable toward drugs and less likely to use them in the future. Further, more than half of the increase in most of these outcomes among all three grades has occurred in the past three years. This is particularly striking among 10th graders, our primary target audience. With these results, the Youth Campaign will continue as our primary drug prevention program, and I look forward to additional progress in the future.

Student Drug Testing

Three years have passed since the U.S. Supreme Court upheld the authority of public schools to test students for illegal drugs, making this powerful tool available to any school battling a drug problem. Since that historic ruling, a number of schools across the country have seized this opportunity to implement drug testing programs of their own.

Student drug testing programs are an excellent means of protecting kids from a behavior that destroys bodies and minds, impedes academic performance, and creates barriers to success and happiness. Drug testing is powerful, safe, and effective, and it is available to any school, public or private, that understands the devastation of drug use and is determined to confront it. Many schools urgently need effective ways to reinforce their anti-drug efforts. Drug testing can help them.

Indeed, student drug testing is that rare tool that makes all other prevention efforts more effective. By giving students who do not want to use drugs an "out," testing reduces the impact of peer pressure. By giving students who are tempted by drugs a concrete reason not to use them, testing amplifies the force of prevention messages. And, by identifying students who are using illegal drugs, testing supports parental monitoring and enables treatment specialists to direct early intervention techniques where they are needed.

Schools considering adding a testing program to their prevention efforts will find reassurance in knowing that drug testing can be done effectively and compassionately. The purpose of testing, after all, is not to punish students who use drugs, but to prevent use in the first place, and to make sure users get the help they need to stop placing themselves and their friends at risk. Random drug testing is not a substitute for all our other efforts to reduce drug use by young people, but it does make those efforts work better. To help further these worthy programs, the President's fiscal year 2006 budget includes \$25 million for student drug testing.

B. Healing America's Drug Users: Getting Treatment Resources Where They Are Needed

As risky behavior goes, drug use ranks among the worst. While it is difficult to draw precise inferences from the data available, the likelihood that an adult who uses drugs at least on a monthly basis (a so-called "current" user) will go on to need drug treatment is approximately one in four—high enough to constitute a substantial risk, which draws millions of people to self-destruction, but low enough that many individuals are able to deny the obvious risks or convince themselves that they can "manage" their drug using behavior.

To assist those who would benefit from drug treatment, the Strategy focuses on innovative DHHS grants, as well as interventions through the criminal justice system. In addition to these avenues, the Strategy supports approaches in a variety of settings to encourage drug users to seek the treatment they need. These include hospital emergency rooms, where doctors are now screening individuals for evidence of drug dependence and referring them to treatment as needed. They also include nonprofit organizations serving the needs of formerly addicted prisoners reentering society. These groups support their clients' first tentative steps in freedom, steering them away from established patterns of crime and drug use and into recovery after what for too many has been a life of addiction.

Access to Recovery

Empowering individuals by allowing them to choose among various drug-treatment programs is a goal of the President's Access to Recovery initiative, which allows drug dependent individuals who are so inclined to turn to faith-based programs in time of need. Access to Recovery also is intended to serve some of the approximately 100,000 individuals who seek drug treatment each year and are put on a waiting list or are otherwise unable to get help.

The Access to Recovery program is the result of the convergence of numerous forces demanding customer choice as well as increased cost-effectiveness, accountability, and results. ATR seeks to leverage the twin benefits of client choice with careful federal oversight and performance measurement, rewarding high-performing providers. The fiscal year 2005 round of ATR funding totaled \$99.2 million and supports programs in 14 states and one tribal organization. The President's fiscal year 2006 request contains \$150 million for Access to Recovery.

Drug Courts

Drug courts use the authority of a judge to coerce abstinence through a combination of clear expectations and careful supervision—a remarkable example of a public health approach linked to a public safety strategy.

The good news for the individual who is arrested and referred to a drug court is the possibility of avoiding prison entirely, and possibly having his or her arrest record expunged after the fact. The bad news, from the perspective of a long-time drug user, is that the best drug courts are more demanding than prison, with intensive requirements including frequent treatment sessions, regular public hearings, and of course frequent mandatory drug tests.

Drug court programs have a real effect on criminal recidivism. A National Institute of Justice study compared re-arrest rates for drug court graduates with individuals who were imprisoned for drug offenses, and found significant differences. The likelihood that a drug court graduate would be rearrested and charged for a serious offense in the first year after graduation was 16.4 percent, compared with 43.5 percent for non-drug court graduates. By the two-year mark, the recidivism rate had grown to 27.5 percent, compared to 58.6 percent for non-graduates.

The drug court movement continues to grow rapidly. There were just a handful of courts operating in 1991, when the President's National Drug Control Strategy first called attention to the idea. Today there are 1,621 courts currently in operation in all 50 states—an increase of more than 400 courts just in the past year.

To support and broaden this promising trend, the Administration recommends a funding level of \$70.1 million for the drug court program in fiscal year 2006. This represents an increase of \$30.6 million over the 2005 enacted level. This enhancement will increase the scope and quality of drug court services with the goal of improving retention in, and successful completion of, drug court programs.

Screening and Intervening: Short Circuiting the Path to Addiction

The first priority of the Strategy is stopping drug use before it starts. Robust efforts involving community action and public education are central to an effective drug control program—one that seeks to de-normalize drug use by creating a climate of public intolerance toward the drug using behavior that all too often leads to addiction.

What is considerably less obvious is how to target drug users still on the pathway to addiction—those individuals whose drug use is on the verge of causing noticeable levels of difficulties with work and relationships. It is never easy to identify individuals with such an incipient problem. But a new approach holds much promise, using the reach of physicians to identify problems as early as possible.

This approach, known as Screening, Brief Intervention, Referral and Treatment (SBIRT)—and more informally as “Screen and Intervene”—is being fielded in medical facilities from major city hospital emergency rooms to rural health clinics. The SBIRT approach places drug screening resources where the users are likely to be. In an SBIRT setting, for instance, a motorist involved in an accident may be asked about his drug use history before discharge, and this screening in turn may unearth a developing drug use problem. The Strategy encourages such SBIRT efforts and so, the President's fiscal year 2006 budget includes \$30.8 million for SBIRT.

Prescription Drug Safety

Surveys show that the non-medical use of prescription drugs, particularly narcotic painkillers, continues to rise in several populations. The number of people who had used pain relievers non-medically at least once during their lifetime increased 5 percent, to 31.2 million Americans, from 2002 to 2003. Among young adults, the non-medical use of any psychotherapeutics in the past month increased from 5.4 percent to 6 percent. Also among young adults, current non-medical use of pain relievers increased by 15 percent, from 4.1 percent to 4.7 percent.

While this is an emerging drug abuse problem, the challenge it presents is of a different order from the traditional drug threats. Existing as they do in every pharmacy in every city and town in America, prescription drugs are both more ubiquitous and at the same time more susceptible to regulatory control, with the mechanisms to reduce the threat of prescription drug misuse substantially within the scope of state and federal regulatory authority. What is needed is continued improvement in the surveillance of practices like “doctor shopping” coupled with more careful and responsible medical oversight, preserving legitimate access to needed medicines while at the same time deterring unlawful conduct.

State-level prescription drug monitoring programs have taken a leading role in detecting and deterring the diversion of popular prescription controlled substances, such as OxyContin and Vicodin. PDMPs, as they are known, are operational or plan to be operational in 24 states in 2005, with Ohio, Alabama, Wyoming, and New Mexico all establishing programs in the past year. Additionally, at least six states—New Jersey, Tennessee, South Carolina, Iowa, Missouri, and New Hampshire—are contemplating legislation to establish programs of their own. Some states, notably Mississippi and Oregon, expect to implement the program through administrative rule rather than legislation. The Administration strongly supports these PDMP efforts as an effective way to address this problem and accordingly, the President’s fiscal year 2006 budget contains \$5 million for prescription monitoring.

C. Disrupting the Market: Attacking the Economic Basis of the Drug Trade

The strategy of the U.S. Government is to disrupt the market for illegal drugs—to do so in a way that both reduces the profitability of the drug trade and increases the costs of drugs to consumers. In other words, we seek to inflict on this business what every licit business fears—escalating costs, diminishing profits, and unreliable suppliers.

To disrupt effectively major drug markets, it is important that U.S. law enforcement and our allies approach this problem strategically, as a market. Many drug trafficking organizations are complex, far-flung international businesses, often compared to multinational corporations. Still other successful international trafficking organizations function as *networks*, with business functions accomplished by loosely aligned associations of independent producers, shippers, distributors, processors, marketers, financiers, and wholesalers. Such networked organizations pose special challenges to law enforcement and interdiction forces, since by the very nature of a network, the system is resistant to the disruption or dismantling of individual elements. As The Strategy demonstrates, networked organizations are not immune from severe disruption and dismantlement. The way to severely damage a networked organization is repeatedly to damage or destroy most of the

elements in one horizontal layer of the network—especially a layer requiring critical contacts or skills—at a rate higher than the organization’s ability to replace them.

The Strategy describes how the United States Government, in concert with international allies, is seeking to target networks by attacking entire business sectors, such as the transporter sector. The Strategy lays out several examples, including destroying the economic basis of the cocaine production business in South America by fumigating the coca crop; seizing enormous and unsustainable amounts of cocaine from transporters; and selectively targeting major organization heads for law enforcement action and, ultimately, extradition and prosecution in the United States.

Colombia and the Andes

Cocaine production in the Andes is—for the third straight year—headed in the right direction: down. Production levels are below 1999 levels and dropping. An aggressive program of eradication, begun in earnest with the election in mid-2002 of Colombian President Alvaro Uribe, has cut Colombia’s potential cocaine production by one-third as compared with the year before he took office. And while final production estimates for last year are not yet available, 2004 was the fourth consecutive record year for eradication, with 131,824 hectares sprayed by the aerial eradication forces of the Colombian National Police against coca plantations that totaled 113,850 hectares at the end of 2003. In other words, Colombian forces sprayed enough herbicide to cover more than the entire coca crop as it stood at the beginning of 2004, leaving many growers in the unenviable position of replanting at a furious pace to maintain production, relocating to other areas, or getting out of the business altogether. Additional amounts were eradicated manually.

Crucially, progress in Colombia has not been offset by increases in Peru or Bolivia. There was a net decrease in the total area cultivated in those countries in 2003, including a remarkable 15 percent drop in Peru. Only trace amounts of coca are cultivated in neighboring Venezuela, Ecuador, Panama, and Brazil.

Coca eradication remains the most strategic element of our strategy in Colombia because of the crop’s inherent vulnerability. We can locate the coca fields and destroy them before the raw material is harvested and processed and becomes invisible in the illicit smuggling world. Large-scale eradication is an effective means of targeting trafficker networks because most growers are affected, reducing the production available to all traffickers. When Colombia is producing one-third less cocaine than it was just two years earlier, there simply is less to go around.

Further, the Government of Colombia continues its relentless attack on poppy cultivation and heroin production. Eradication programs supported by the United States Department of State sprayed or manually eradicated 4,152 hectares during 2004—an amount close to the entire poppy crop planted at the end of 2003, the most recent year for which cultivation data are available. To put additional pressure on heroin traffickers, President Uribe has advanced an initiative to seize farms involved in the cultivation of illicit crops, especially poppy.

As part of the President’s Global War on Terror, supporting democracy, and reducing the flow of illicit drugs into the United States, the President’s fiscal year 2006 budget includes \$734.5 million for the continuation of the Andean Counterdrug Initiative.

Consolidated Priority Organization Target (CPOT) List

Organizations are built around people—managers, leaders, and implementers. Whether in business or in the criminal underworld, whether in traditional linear organizations or in networked organizations, people are at the core of successful organizations. A first step toward dismantling a trafficker network is to identify these key leaders, then dismantle the organizations they manage. Over the past two years, the U.S. Government has identified 58 such major trafficking organizations, 12 of which have links to terrorist organizations, and added them to the CPOT list.

Focus is important, in law enforcement as elsewhere—and focus has paid off. In two years we have dismantled 14 organizations while severely disrupting an additional eight. The heads of 17 CPOT organizations—nearly 30 percent of the total CPOT targets—have been arrested. Organizations dismantled during fiscal year 2004 were responsible for shipping an estimated 44 metric tons per year of cocaine—and 500 kilograms per year of heroin—to the United States.

Afghanistan

Progress toward a safe and democratic Afghanistan has been steady and significant. That progress, however, faces a threat that requires renewed attention by the Afghan government and a helping hand from the international community. The threat is illegal drugs and a booming drug trade that transforms innocent and otherwise honest farmers into laborers trapped in the service of a criminal enterprise. The trade in illegal narcotics, if left unchecked, threatens to crowd out legitimate enterprise and undermine institutions. The challenge is to free Afghan farmers from their dependence on poppy cultivation, so that they may become producers of crops that feed their people and grow their nation.

Narcotics production has been a major problem for Afghanistan for the better part of a decade. It is a problem that the Afghan people clearly recognize, and one that will be solved only with their determined leadership and perseverance, along with the assistance of the international community. It is by no means a problem that defies solution: Colombia's dramatic progress against a pervasive narcotics trade demonstrates the power of credible, coordinated, and comprehensive policies to reduce the destabilizing threat of drugs. Working with the United Kingdom, the United States is prepared to assist Afghanistan in this effort. This initiative is a major international component of the Strategy and the President's fiscal year 2006 budget request includes an increase of \$166.2 million to support the State Department's counternarcotics programs in Afghanistan.

Synthetic Drugs

Globally, the production and use of the synthetic drugs amphetamine, methamphetamine, and MDMA (Ecstasy) remain a serious problem. There are numerous foreign sources for synthetic drugs and their precursors, including countries in Asia, Europe, and North America. Use patterns are strongly regional, with methamphetamine consumed in the United States and Asia. Amphetamines and Ecstasy are the drugs of choice in Europe. U.S. law enforcement continues to act in cooperation with law enforcement officials worldwide to disrupt foreign sources of the bulk pseudoephedrine and ephedrine that are used to produce methamphetamine consumed in the United States. The Strategy will continue its emphasis on confronting and disrupting the synthetic drug markets through both organizational attack activities targeting major synthetic drug trafficking organizations and chemical

control initiatives focused on keeping the essential precursors out of traffickers' hands. In combination, the aggressive application of organizational attack and chemical control programs can disrupt the illicit synthetic drug market.

II. Fiscal Year 2006 Budget Highlights

The President's fiscal year 2006 budget provides significant resources for reducing illegal drug use. The proposed funding levels support the three key priorities of the Strategy. In total, the National Drug Control Budget for fiscal year 2006 is \$12.4 billion, an increase of \$268.4 million (+2.2 percent) over the fiscal year 2005 enacted level of \$12.2 billion.

Demand reduction programs supported by the Department of Health and Human Services will maintain support for innovative approaches targeting early intervention and drug treatment. The budgets of HHS, the Department of Education, and ONDCP also include funding to support important prevention efforts. Funding for supply reduction in the Departments of Homeland Security, Justice, State, Treasury, and Defense will support operations targeting the economic basis of the drug trade, domestic and international sources of illegal drugs, and trafficking routes to and within the United States. The budget includes significant resources to aid counternarcotics efforts in Afghanistan while following through in Colombia and the Andean region.

Prevention

- **Education—Student Drug Testing: +\$15.4 million.** The President's fiscal year 2006 budget proposes \$25.4 million for student drug testing programs. This initiative provides competitive grants to support schools in the design and implementation of programs to randomly screen selected students and to intervene with assessment, referral, and intervention for students whose test results indicate they have used illicit drugs. Funding of \$2 million made available during each of the first two years of this initiative was used by 79 middle and high school administrators for drug testing programs. These efforts send a message that local community leaders care enough to help those students showing warning signs of drug abuse and that they want to provide a drug free learning environment to all students. With increased funding in FY 2006, more schools will have access to this powerful tool.
- **Education—Research-Based Grant Assistance to Local Educational Agencies (LEAs): +\$87.5 million.** This enhancement will support the implementation of drug prevention or school safety programs, policies, and strategies that research has demonstrated to be effective in reducing youth drug use or violence and for implementation and scientifically based evaluation of additional approaches that show promise of effectiveness. Under this proposed new activity, grantees would be required either to carry out one or more programs, practices, or interventions that rigorous evaluation has demonstrated to be effective, or to carry out a rigorous evaluation of a promising program, practice, or intervention to test its effectiveness and thereby increase the knowledge base on what works in the field. In making awards, the Department of Education would ensure the equitable distribution of grants among urban, suburban, and rural LEAs.

Treatment

- **Substance Abuse and Mental Health Services Administration (SAMHSA)—Access to Recovery: +\$50.8 million.** Through Access to Recovery (ATR), the President is committed to providing individuals seeking alcohol and drug treatment with vouchers for a range of appropriate community-based services. The FY 2006 budget proposes \$150 million for ATR, an increase of \$50.8 million over the FY 2005 enacted level. By providing vouchers, ATR promotes client choice, expands access to a broad range of clinical treatment and recovery support services, and increases substance abuse treatment capacity. Vouchers may be used to access a variety of services, including those provided by faith- and community-based programs.
- **Substance Abuse and Mental Health Services Administration (SAMHSA)—Screening, Brief Intervention, and Referral to Treatment (SBIRT): +\$5.8 million.** The purpose of this initiative is to intervene early with users and stop drug use before it leads to abuse or dependence. This initiative will improve treatment delivery to achieve a sustained recovery for those who are dependent on drugs. SBIRT is designed to expand the continuum of care available to include screening, brief interventions, brief treatments, and referrals to appropriate care. By placing the program in both community and medical settings such as emergency rooms, trauma centers, health clinics, and community health centers, the program has the ability to reach a broad segment of the community.
- **Office of Justice Programs—Drug Courts Program: +\$30.6 million.** The President's Budget includes funding of \$70.1 million for the drug courts program in FY 2006. This enhancement will increase the scope and quality of drug court services with the goal of improving retention in, and successful completion of, drug court programs.

Market Disruption

- **DEA—Priority Targeting Initiative: +\$22.6 million and 55 Special Agents.** This initiative will strengthen DEA's efforts to disrupt or dismantle drug trafficking and money laundering Priority Target Organizations, including those linked to trafficking organizations on the CPOT list.
- **DEA—Central/Southwest Asia Operations: +\$22 million.** This proposal will provide permanent funding for Operation Containment in Afghanistan and will ensure full DEA support for the on-going interagency efforts of poppy investigation and enforcement. DEA, in combination with the Departments of State and Defense, is implementing a comprehensive counternarcotics strategy aimed at reducing heroin production in Afghanistan and contributing to the stabilization and redevelopment of the country.
- **Organized Crime and Drug Enforcement Task Forces (OCDETF)—Fusion Center Initiative: +\$14.5 million.** This request provides base funding for the ongoing operations and maintenance of the OCDETF Fusion Center beyond FY 2005. The Fusion Center has been developed to collect and analyze drug trafficking and related financial investigative information and to disseminate investigative leads to the OCDETF participants.

- **OCDETF—Redirection of FBI Drug Resources: +\$50.0 million.** This initiative redirects \$50 million from the FBI's direct drug budget by providing these resources as part of OCDETF. This funding can be effectively focused on targeting major drug trafficking organizations and their financial infrastructure. The infusion of these resources will increase OCDETF's ability to disrupt and dismantle major international, national and regional networks, particularly to the extent that such organizations are engaged in financial crimes, public corruption and other activities within the expertise of the FBI.
- **OCDETF—Assistant U.S. Attorney Initiative: +\$5.9 million.** This request provides 41 new attorney positions to address existing staffing imbalances within the U.S. Attorney workforce and, thereby, achieves an appropriate balance between investigative and prosecutorial resources.
- **Department of State—Andean Counterdrug Initiative (ACI): \$734.5 million.** This request will fund projects needed to continue the enforcement, border control, crop reduction, alternative development, institution building, administration of justice, and human rights programs in the region. The ACI budget provides support to Colombia, Peru, Bolivia, Ecuador, Brazil, Venezuela and Panama. Also included in the FY 2006 ACI request is \$40.0 million for the Critical Flight Safety Program. This program will stop degradation and extend the life of Vietnam-era aircraft in order to maintain a viable fleet for counternarcotics missions.
- **Department of State—Afghanistan: +\$166.2 million.** The President's Budget includes an increase of \$166.2 million in support of counternarcotics programs in Afghanistan. This enhancement will bring the Department's total Afghanistan counternarcotics funding to \$188.0 million in FY 2006. Funds will be used to support the Central Poppy Eradication Force of 100-member Afghan teams to continue the annual poppy crop eradication campaign and to continue to develop Afghan drug law enforcement capacity. These resources will also support a demand reduction program and a public affairs campaign aimed at reducing use and publicizing the eradication program.

III. Budget and Performance Integration

The Administration is committed to integrating performance data more closely with budgets. This has been institutionalized through an assessment of federal programs as part of the budget process—the annual Accountability Report required under the *Government Performance and Results Act*, and, more recently, the Program Assessment Rating Tool (PART). The PART is used to review 20 percent of federal programs every year. During the FY 2004 budget cycle, eight federal drug control programs were rated, and in the FY 2005 budget cycle, an additional four programs were reviewed. In the FY 2006 cycle, three more programs were assessed, bringing the total to 50 percent of the drug control budget.

The PART evaluates a program's purpose, planning, management, and results to determine its overall effectiveness rating. It is an accountability tool that attempts to determine the strengths and weaknesses of federal programs with an emphasis on the results produced. Programs that have not demonstrated results or are evaluated as being ineffective have been subject to much greater scrutiny during the formulation of the President's budget and as part of ONDCP's review of agency drug control spending.

For fiscal year 2006, two prominent drug control initiatives modified as result of their performance are the High Intensity Drug Trafficking Areas (HIDTA) program and the Safe and Drug-Free Schools and Communities (SDFSC) program:

- **HIDTA**—The PART assessment found that HIDTA has not been able to demonstrate results. As a consequence, the 2006 budget significantly restructures the program. The budget proposes moving the HIDTA program to the Department of Justice (DOJ) at a reduced funding level of \$100 million. This will enable law enforcement managers to target the drug trade in a strategic manner that is complementary of the reorganized OCDETF program, and that preserves the program's worthy elements such as intelligence sharing and fostering coordination among state and local law enforcement agencies. DOJ will retain the program's strong focus on supporting state and local law enforcement efforts, but will reformulate its operations to function within current funding levels. Criteria for retaining HIDTA designation will favor regions best able to support the priorities of the President's Drug Strategy.
- **SDFSC Grants**—The President's FY 2006 budget proposes to terminate funding for SDFSC State Grants, given the program's inability to demonstrate effectiveness and because grant funds are spread too thinly to support quality interventions. Instead, the request includes significant increases for SDFSC National Programs activities that provide direct support to LEAs, in sufficient amounts to make a real difference. The Department of Education's SDFSC National Program proposal will support drug prevention and school safety projects that are structured in a manner that permits grantees and independent evaluators to measure progress, hold projects accountable, and determine which interventions are most effective.

By integrating program goals and effectiveness information into the National Drug Control Strategy, the Administration has provided a sound basis for program accountability through the adjustment and reallocation of scarce federal resources to programs that are successful and can demonstrate results.

IV. Development and Oversight of the National Drug Control Budget

ONDCP plays a critical role in formulating the National Drug Control Budget through the authorities provided by Congress. Our authorizing legislation is now expired, but during this first session of the 109th Congress, the Administration will seek to reauthorize ONDCP, retaining our current budget and policy oversight responsibilities. I know these activities are of keen interest to this Committee. This legislation is critical to fulfilling our mission.

ONDCP Budget Authorities

ONDCP authority to assist in coordinating the President's drug control program includes the important ability to review agency budgets. This is a two-tiered process, consisting of a summer review of bureau-level submissions and a fall review and certification of agency submissions. For each of these stages of review, budgets are judged based on funding guidance I am required by law to provide to the Cabinet in the spring. My evaluation of these proposals is also closely tied to demonstrated results from these drug programs. ONDCP's budget review and certification process is an instrument in focusing resources toward critical initiatives that support the President's Drug Strategy.

Modified Budget Presentation

Since ONDCP was last authorized, there has been one very significant change to the drug budget process that has significantly enhanced ONDCP's ability to provide effective oversight of drug control programs—a restructured presentation and accounting of the drug budget. This proposal was initially communicated to Congress in the February 2002 Strategy documents. It was fully implemented in the fiscal year 2004 Budget of the President, transmitted to the Congress the following year.

Prior to this change in the budget, the drug control program consisted of close to 50 budget accounts totaling \$19 billion. Independent analyses of these budgets commissioned by ONDCP¹, as well as required reviews by department Inspectors General² identified significant weaknesses in these budget presentations. Many of these issues were associated with the drug budget methodologies used by agencies to estimate drug spending. Drug budget methodologies were imprecise and often had only a weak association with core drug control missions. The revised budget presentation provides a greater degree of accountability for federal drug control programs.

The basic shortcoming associated with the old drug budget was that much of the funding displayed did not represent real dollars in the President's Budget. Drug budget calculations were not transparent to the public, Executive Department officials, or Congress. The drug budget generally did not represent funds that could be readily found in individual agency budget documents or accounting systems. Since the drug budget was a collection of estimates based on percentages of many accounts, it was wholly an artificial construction. To correct this fundamental deficiency, the revised drug budget was restructured to display, to the extent possible, actual funds found in the President's Budget.

If possible, all drug control funding would be directly appropriated by Congress into separately identified accounts reflected throughout the Federal Budget. However, there are many practical limitations associated with implementing such an approach, and although the revised budget still includes funding for some agencies (i.e., Homeland Security and Veterans Affairs) that is based on complex methodologies and calculations, the new budget structure is a vast improvement over the old accounting system.

V. Conclusion

The Administration looks forward to working with this Committee and the entire Congress to implement the policies and programs called for in the President's Fiscal Year 2006 Budget. What we are proposing will yield continued success. Together with Congress, we can achieve the kind of progress that will improve the lives of our children and make us all proud. As President Bush indicated in releasing the National Drug Control Strategy last year: "Our Strategy proposes a

¹ Patrick Murphy, Lynn E. Davis, Timothy Liston, David Thaler, and Kathi Webb, *Improving Anti-Drug Budgeting* (Santa Monica, CA: RAND, 2000).

² Office of National Drug Control Policy (ONDCP), *FY 1999 Accounting of Drug Control Funds* (Washington, DC: ONDCP, 2000). ONDCP, *FY 2000 Accounting of Drug Control Funds* (Washington, DC: ONDCP, 2001). These documents included reports from department Inspectors General regarding agency drug budget presentations. Both the FY 1999 and FY 2000 Accounting Reports were transmitted by ONDCP to the Congress, pursuant to 21 U.S.C. § 1704(d).

remarkable and unprecedented array of drug control programs, treatment initiatives, and media campaign efforts. But more than any program, it seeks to engage the desire of all Americans to make this a better Nation, facing down the lie of addiction, and offering the hope of recovery.”